

*Political*  
A  
L E T T E R

TO

THE RIGHT HONOURABLE

W I L L I A M P I T T,

CHANCELLOR OF THE EXCHEQUER,

ON THE

N A T I O N A L D E B T.

---

BY

EDWARD TATHAM, D.D.

RECTOR OF LINCOLN COLLEGE, OXFORD.

---

THE SECOND EDITION.

---

Sold by Messrs. Fletcher and Manwell, Cooke, Blifs, Oxford; Messrs. Rivington, Cadell, Stockdale, Elmsly, Robinsons, Richardson, White, Egerton, Payne, and Faulder, London; Mr. Lunn, Cambridge; Messrs. Crutwell, Meyler, and Hazard, Bath; Messrs. Pearson and Swinney, Birmingham; Mr. Lloyd, Bristol; Messrs. Clarke and Fawcener, Manchester; Mr. Baker, Southampton, and by the Bookfellers of York, Liverpool, Leeds, Norwich, Sheffield, Worcester, Cheltenham, Canterbury, Warrington, Coventry, Portsmouth, Plymouth, Brighton, Tunbridge, Margate, Weymouth, Edinburgh, Glasgow, Dublin.

---

M DCC XCV.

[Price One Shilling.]

*It has been suggested to the Author of the following Pamphlet, from many quarters, that its utility to all sorts of people is greatly prevented by the high price at which the First Edition is sold; he has, therefore, lowered the language so that it may be understood by the plainest capacities, and directed his Bookseller to prepare a Second Edition at the price of ONE SHILLING.*



TO THE  
RIGHT HONOURABLE  
WILLIAM PITT,  
CHANCELLOR OF THE EXCHEQUER.

---

SIR,

**I** ADDRESS you as the Minister of the first country in Europe. The times are difficult and momentous; the period is awful and important; new beyond all precedent, and critical beyond all example; government is expensive, and the national debt is great. The hearts of all shake with horror at the scenes that have been transacting in the neighbouring kingdoms; and those of many fail them for fear. The alarm is great and general. It is partly real, and partly feigned. The real apprehensions of some are more the effect of a frightened imagination, than the dictate of sound judgment: and the ill-bodings of others are the fictions of malicious design, intended to disarm the nation of its courage, and to throw it into the weakness of despair, with wicked and malignant views. The impositions of the latter acting upon the fears of the former, they work together against the public good. Much evil may arise, in times like these, to the well-being of the nation, from the indulgence of weak prejudices, and from the propagation of imposing errors. To soften these prejudices, and to correct these errors, at the present alarming and eventful moment, is a duty which every man owes his country.

B

The

The NATIONAL DEBT increasing, and to be increased, is a principal cause of this alarm : and, in performance of this duty, I take up my feeble pen, with better intention than ability, to discuss this important subject. In a war of safety, not of ambition or intrigue, necessary to defeat the principles and aggressions of a desperate and powerful enemy, and requisite to divert those torrents of blood and desolation which have deluged France, many are fearful that our Public Debt will become that oppressive load, under which the nation must lose its nerve, and sink into the miseries of that unhappy country : whilst others are working upon their feelings with a malicious industry, by representing it as the certain road to ruin. Thus it frightens many ; it is misrepresented by some ; but, I think, it is understood by few.

The British Nation, civil and commercial, to which this Debt belongs, is a system of vast extent, composed of many parts, divided into many interests, connected by many relations, and united by many ties, intricate in its construction, and manifold in its operations, one wheel acting upon another, and the whole moving on together in a wonderful and successful harmony. Few possess strength of mind sufficient to contemplate, or clearness of conception sufficient to understand, this vast machine : and none, perhaps, are equal to the adequate comprehension of all its functions. All feel, or ought to feel, with gratitude its good effects, however unable to understand the means : and they should rest content, through all the classes of society, in the enjoyment of its benefits ; without imagining defects where there are none, without portending dangers which do not exist, and without construing those things into faults, which in reality are perfections.

Under the difficulties which surround so vast and complex a subject as the British Nation, we  
cannot

cannot wonder that its Public Debt, which forms in its operation a chief movement in the system, should be mistaken in its nature, and misrepresented in its use. It is generally considered as a pernicious monster, which, by its enormous size, will consume the land. That it is a burden upon the country, none will deny; but, that it is become necessary by time and habit, that, by some admirable movements of its own, it enables the country to support its own weight, and that it is upon the whole beneficial to the nation, is what I am willing to contend.

To quiet the public alarm by divesting this growing monster of its terror, in treating the subject of the NATIONAL DEBT with all the plainness and precision in my power, my first point shall be—to shew how its *burden may be lightened* with good effect, and all danger to the state removed—to shew how the *country is enabled, and may be more enabled to bear it*, shall be my second—and, afterwards, to shew that, under the just regulation of political economy, instead of being a public evil, it is a *public good*, shall be my third:—to which I will add a few considerations, respecting *the application of the Sinking Fund*.

## I.

And, first, to begin with the first, which will prepare the way for the other two.

Fire and water are good servants and bad masters; but, because, when they get the mastery, they are destructive, you would not, therefore, at once entirely destroy them. Prudence directs us to keep them within such bounds as enable us to derive from them the greatest utility with the least danger. To destroy the National Debt at once would be likewise improvident. Should a mine be found under the Treasury, from which you could take gold and silver without reserve, you

know too well the present state of this country, you are too well acquainted with its interests, and you have too sensible a regard for national justice, to pay off at once the whole, or one half, or indeed any large proportion. This would operate as a most pernicious evil. It would change the condition, and ruin the fortune, of half the people in the kingdom, and create confusion among the whole. It would destroy all subordination, level all rank, and defeat all rule. It would unhinge all property, which would unhinge all order, which would unhinge the state; for property is one of the main hinges upon which it turns.

But you entertain a fairer hope of diminishing the debt, by a gentle liquidation from the gradual operation of the Sinking Fund, and of the Provisions which are made by Parliament for its reduction. However provident this fund might be in its original design, or however beneficial it may become in its application to other uses, it will ever, I fear, be found totally *inadequate*, if not *inapplicable*, to the purpose for which it was designed.

Britain always had, and must always expect to have, times of peace and times of war. The accumulation of money from the fund in times of peace has ever been found unequal to the accumulation of expenses in times of war; so that unless wars could be expelled out of the world, which from the history of that world seems not to have been in the intention of its Maker; and unless the British Government sink into no consideration among the nations, which I hope will never be in the intention of his providence, the fund must ever be found insufficient. If you pay one million one year, another the second, and another the third, and are obliged in the fourth to spend six millions beyond the annual revenue, what is the use of the sinking fund? In its application to the end for which it was proposed, it is a fallacy; and all that

can

can be said for it is, that, by paying off a little debt in times of peace, it lightens a little the burden of a greater debt in times of war.

So that "with whatever wisdom the plan, by which every Minister is bound to create a fund for the discharge of the debt at the moment he is contracting it, is laid down in time of peace, and with whatever steadiness it may be pursued amidst all the calamities of war," it yields no real prospect of the positive reduction of the National Debt; for, though "the bill" in which the plan is framed "has already produced 1,800,000l. annually appropriated to that purpose, and though in the ensuing year it should be augmented to 2,400,000l." when we consider the expenses of the year, and reflect on the experience of times past, the prospect becomes visionary and fallacious. The plan, however promising in speculation, will be ineffectual in practice. It is an expedient well-aimed in the intention, but ever *inadequate* to the intent.

From the nature of a vast and increasing nation, with an increasing commerce which it must maintain, and with increasing dependencies which it must support, its expenses must increase; and its debt, as it hath been increasing, must of necessity increase; so that the idea of extinction is, in every view, absurd. The truth of this hath been brought home to our conviction by uniform experience: by the history of the Loans, and of the Funds. In the reign of William the Third, when loans were first found necessary, the hope of redeeming them by paying off the principal, was entertained. As the necessity of borrowing increased from year to year, the possibility of redeeming them was found to lessen. With a view to this redemption, when loans were first made upon anticipation of taxes, the taxes were imposed only for a limited time. The public expenses increased, and their produce being found

insufficient for the purpose of paying the principal and interest within that time, the taxes were prolonged. In 1697, in 1701, in 1707, and the three following years, these prolongations were continued; till in 1711 their inexpediency became too apparent, and the taxes were made perpetual. In 1715, the first of George the First, all these taxes were formed into one Aggregate Fund, and in 1717 others were added; and the whole accumulated number was consolidated into one General Fund for ever. Unable to redeem the capital, in the very infancy of borrowing, when that capital was small, Government was often obliged to anticipate a second and a third time before the first anticipation had expired; till at last it was reduced to the necessity of funding the debt and perpetuating the taxes. So fruitless were the well-intended endeavours of our forefathers to extinguish in its infancy what they deemed a national evil, but whose national use and operation they did not understand: and, now that in the lapse of ages it has grown to such an enormous size, sanguine indeed must be his hope who expects to vanquish and destroy it.

As the Funds first sprung out of the necessities of the state, time and habit, as I hope to shew, have made them necessary; and experience hath told us they are not to be extinguished. The Capital is become an ideal thing never to be destroyed: and all the nation can ever hope, or should attempt, to do, is to pay the Interest.

But, Sir, the sinking Fund has not only been found inadequate, but *inapplicable* to the purpose for which it is ostensibly designed. The contingent necessities of the state, or provident uses, or unforeseen events, have always found and will always find it different employ. It is more a subsidiary fund, or a fund of emergency, than a liquidating fund. Should it be kept ever so inviolate, as a liquidating fund, it can never do much good. As a fund of  
emergency,

emergency, it becomes a provident resource, which, if not prostituted to improper uses, may be employed, as I shall take occasion to observe, in some of the most beneficial services of this agricultural and commercial country.

Thus the Sinking Fund, and the other Provisions made by Parliament, though ineffectual to their purpose, are founded in great wisdom; and are, in their existence, standing and reviving proofs of the superabundant resources of the nation: and, though they may fail in their intention of liquidating the debt, there are other expedients to be found, which, by increasing the public revenue, will relieve the country of its weight; to the promotion of which expedients they may be usefully and successfully applied.

All the other projects and speculations I have yet seen for the liquidation of the debt, by paying off the principal, are equally fallacious. The remedies proposed by the sagacious author of *The Wealth of Nations*, in the conclusion of that work, which contains much useful information, much accurate calculation, and some practical truth, are mainly visionary. Happily for Old England, he as totally mistakes when he forebodes in one place the ruin of the nation from what he calls "the pernicious system of funding," as when he laments in another "the present debilitated and languishing vigour of the empire." Both his bodings and lamentations have been, and, I hope, will always be, contradicted by experience. From the first period of funding every age has abounded with its speculative prophets foretelling, in gloomy anticipation, the destruction of the land. Their prophecies that experience has admirably reversed; for ever since the funding system was first established, the British nation has been increasing in her opulence, increasing in her consequence, and increasing in her power.

Thus, Sir, from the nature of the Debt attached to such a nation, growing and to grow, the liquidation of it, by paying off the principal, however gradually, is a project mistaken in the conception, impracticable in the execution, and would be impolitic in the use.

But notwithstanding the failure of your favourite expedient of the Sinking Fund and other Parliamentary Provisions, as well as of the projects of speculative contrivers, you need not be afraid that the Public Debt, though gradually increasing, will become that invincible load which will sink the nation.

In my idea of political economy, there is one and only one true and practicable way by which the load upon the shoulders of the nation from its public Debt, can ever *be lightened with good effect*, and all danger to the state removed. This is, to let the Debt have its natural and necessary course, without attempting to quash or overcome it, which attempt is vain—to let it maintain, and even gradually increase, its bulk, which it is impossible to diminish; but gradually *to decrease its worth*: and this will be effectually *to diminish its weight*, the object we are wanting to accomplish. This is an expedient, easy in the application, safe in the practice, and honourable in the execution; to which the Funds themselves, in their operation upon an opulent and mercantile country, will help to pave the way.

To shew in what manner the *worth* of the Debt will be decreased, by which its *weight* will be diminished, for the sake of round numbers, put the National funded Debt at *Two Hundred Millions of Pounds*. But what is a Pound: for that is the denominator; and upon the value of the denominator, whether it be more or less, the value of the numerator will depend, though it remain the same *Two Hundred Millions*? If a pound, for instance, was  
only

only of the value of a penny, the true National Debt would be as Two Hundred Million Pence. What then is a Pound? This is the jet of the enquiry. We may thank the genius of this happy island, that it is not a certain quantity or portion of corn or beef, or any other necessary article of human subsistence. All these various articles of life possess a value of a different nature from that of pounds. Though their price in the market may change back and forward with the circumstances of time and place, their value is real, and permanent; the same from age to age. A pound has no such real and permanent value. Even, if gold and silver coin, of which pounds are made, brought into the market its full weight and worth, according to the current price of these precious metals, it would not possess the same sort of value with corn and beef. These are necessities of life consumable or perishable almost every year, incapable of accumulation by adding fresh supplies to the old undiminished stock. Gold and silver are luxuries of life not so consumable or perishable, capable of receiving perpetual additions to the old stock. The value of the former articles is real and permanent; because they are necessary in the first place, and incapable of such increase in the second: and the value of the latter is nominal and changeable; because they are not necessary in the first place, and capable of this increase in the second. So that, putting these different articles up to their full and proper value, and supposing that value to decrease as the quantity increases in the market, which is always the case, gold and silver, or pounds, being capable of a perpetual increase in quantity, which corn and beef are not, (if we except that kind of increase which may arise from better cultivation or more fruitful years, which is not the question,) their value will perpetually decrease, whilst that of corn and beef will not. And this is the great and growing reason why every thing  
is

is so dear; because money by its quantity is become so cheap.

But though gold and silver, when first used as money, possessed some sort of real value, from their full weight and worth brought into market according to the utility of these metals, as luxuries of life, this weight has been more or less diminished, and this worth alloyed, in every country: so that pounds are thereby made the more nominal in their value; and, by the increase of their quantity from this circumstance, they are subject to a further decrease in that value.

Though possessed of less real and permanent worth than any other commodity, and though liable to this change in value, from the scarceness and durability of the metals, the small size of the coins, their cheap and easy conveyance from one market to another, gold and silver money has always been found the most convenient means of barter, and has been universally established the general instrument of all commerce, and the standard of exchange, by which the prices of all commodities of real value are expressed, their proportions measured, and themselves exchanged, and even represented. From this universality of consent in all countries, money or pounds, however nominal and changeable, is not only the universal instrument of exchange, but the universal representative of things of real and permanent value, and passes, in all civil negotiations, in the place of that value. Thus it operates as real worth in every country of the world; in so much that we say, in common language, such a ground, or such a man is worth, not so many oxen, but so many pounds.

‘Every thing is worth what it will fetch,’ is a vulgar, but just, expression. The price of every commodity depends upon its plenty or its scarcity; that is, upon its demand; that is, upon the quantity in the public market. Increase the quantity,  
and

and you lessen the demand ; and consequently the price. Increase the quantity of money, or pounds, the standard and representative of all value, in the whole mercantile world, in the public market of Europe, and from thence in the public market of England, and you will proportionably diminish its price. This is too obvious to need an illustration : if it did, experience would be my proof. I could appeal to the history of money in our own country, up to the time that a shilling was worth as much real value as twenty are at present ; and I could appeal to all the old rents and moduses throughout the kingdom.

From these premises the conclusion is soon drawn ; and its operation upon the National Debt is easy to be discerned. The value or worth of pounds, the denominator, decreasing in proportion to the increase in the quantity of money, the Two Hundred Millions, the numerator, would be reduced, not indeed in name, but in virtue ; and the *weight* of the National Debt would *be lightened in effect*.

This, Sir, in my judgment of political economy, is the truest, the easiest, the most gradual, and the most honourable method of relieving the nation of that burden, under which it labours, or seems to labour. Other methods have been employed by other nations in times of difficulty and when oppressed with debt, by practices upon money such as the following : Change by authority the denomination of your coin, and make sixpence into a shilling, or a shilling's worth ; and by doubling the value of shillings, ten of them will pay as far as twenty would have paid before. Thus you would double the value of your money, though not the quantity, and acquire a double quantity of pounds : and by a single act you would reduce the debt one half. Or, adulterate your coin with a fourth of alloy, and fifteen shillings would pay as far as twenty would have paid before. Thus, by diminishing the quality, you  
would

would increase the quantity of your money, and add a fourth more to the number of pounds: and by another act, you would reduce the debt one fourth. These are inglorious and pernicious remedies, which, however necessity may have compelled some nations to pursue, will, I hope, never disgrace the British name.

The remedy which I propose is the contrary of them, both in its origin and operation, though the same in its effect upon the debt. It is not a hasty expedient, employed on the spur of the occasion, forced and violent in itself, unjust and fraudulent in its application. It rises of its own accord out of the successful course of things; it is easy in its birth, and gradual in its progress; and it is just, genial, and beneficial through the whole of its operation. Springing of itself out of the increasing wealth and resources of the nation, it will flourish in her increasing riches and reputation.

This natural and gradual degradation of the value of money, from the increase of its quantity, operating so beneficially upon the Nation and its public Debt, by a virtual, but insensible reduction, I now proceed to shew how the quantity of money in the currency of Great Britain will be increased.

Gold and silver, of which precious metals money is chiefly made, I shall in the first place observe, must receive a considerable addition to the general stock already in circulation in the world, from their native mines. It has been supposed that four or five millions are brought into Spain and Portugal from the mines every year, beside what comes into other parts of Europe. Some proportion of these metals is, doubtless, employed in shrines and images, in ornaments and utensils, in plate and furniture: the greatest proportion, however, either comes to the mint to be coined into money, or is employed in bullion in the place of money. Some  
gold

gold and silver may, indeed, be lost, and coin is somewhat liable to wear ; but, after supplying these losses and deficiencies, there must remain a great annual addition to the former stock, from the several mines.

And here I may be permitted to observe, without offering offence to those religious minds which deem the desecration sacrilege, that the shrines and saints of the Roman Catholic churches will now contribute not a little to the increase of money.

The discovery of the American mines in the last century, from the addition it threw into the general stock, by swelling the currency, reduced the value of money one third. Should such an event happen now, it would reduce our debt one third. This reduction would, however, be more rapid than could be wished. Sudden changes are not to be desired : and the reduction of the National Debt from the present annual acquisition to the general stock of money in the currency of the world, the natural and necessary cause of its degradation, being more gradual, it will operate with better effect.

But, that this general increase of money may have effect upon its Debt, it is necessary that it should be brought home to increase the currency of Great Britain.

Of this general stock, or collection of money, in the general currency of the world, increasing and to be increased, there is a kind of struggle between one nation and another which shall get the most : and where there is the most, there it will be the cheapest.

The quantity of gold and silver in any country does not, we know, depend upon its own gold and silver mines. They often abound the most in those nations which have no such mines. Corn and beef, wool and clothes, coal and iron, and manufactured goods of utility and even of ornament, being things of real value or ornamental use, can at all times buy gold and silver : and wherever they are brought to market,

market, they will command them. The quantity of money, therefore, in any country, depends chiefly upon its ability to purchase gold and silver; and this ability depends upon the surplus produce of all the different commodities of real value, or ornamental use, that one nation or country can spare for the purchase of another, beyond its own consumption: and, with all these treasures in her hand, in the great contest for gold and silver, at market Great Britain is behind no nation in the world; but in all these different ways of getting money far exceeds them all.

Beside this universal and national cause of the degradation of money by the increase of its quantity in this mercantile country, which I call natural, there is another which hangs upon it, of equal influence and extent, which I call artificial, founded upon capital and credit, and issuing in Paper-Money. As real money is the representative of real value, paper money is the representative of real money: and, though it ought not to exceed in quantity the stock of real money which it represents, yet, as a shadow is often larger than the substance, it is well known to over-run its principal. As far as it is supported by capital and credit, it is as money in the market; and thus, by doubling the quantity, it is another cause of the degradation of the value, of pounds.

And now, if we apply this expedient, necessarily and continually to be found in this degradation of pounds, to the National Debt, this effect will be at once apparent. Suppose the quantity of currency (for that includes both money and paper) to be, at any future period, increased one fourth, the *value* of Pounds will in effect be *diminished* one fourth; and the Two Hundred Millions will be *virtually*, though not nominally, *reduced* to the weight and value of One Hundred and fifty Millions; and so on. As, however, the operation must be gradual, so will the effect:

effect: and thus the *weight* of the National Debt will be gradually *diminished* in virtue and effect; the object to be desired.

This reduction is not, indeed, a nominal reduction; it will never make the Two Hundred Millions One Hundred and Fifty. It will be, however, a virtual reduction, which will operate effectually, and more beneficially, upon the community at large, through every part and in every view. That ox which the grazier now sells for 15*l.* will bring him 20*l.* That corn the farmer now sells for 150*l.* will bring him 200*l.* Both will be able to pay higher rents to their landlords, and higher wages to their servants and labourers. The landlords will be able to pay higher taxes to Government; whilst all, by proper industry and frugality, will make better savings than they do now: which higher taxes will be themselves a proof, that the debt, the interest of which they are to pay, will be actually reduced; for these higher taxes will be more than adequate to the interest which they now pay. Thus the real reduction of the Debt will consist in a greater ability to pay the interest; and the whole nation will go on, in a prosperous and progressive motion, with the utmost spirit and alacrity.

To shew this by a view of the contrary. If, instead of depreciating the value of pounds, we could increase it one third by introducing a scarcity, one pound would pay as far as thirty shillings will do now: thus the Two Hundred Millions would be paid with One Hundred and Fifty, and the debt would be nominally reduced. But how would this operate upon the community? The ox would fall from 15*l.* to 10*l.*; and the corn from 150*l.* to 100*l.* The tenants could not pay their former rent, nor the landlords their former taxes. Both must be lowered: and though these lowered taxes might just pay the interest of the One Hundred and Fifty Millions, this nominal reduction of the Debt would  
avail

avail nothing in effect; whilst the spirit of the whole nation would be damped, and its exertion discouraged, by a retrograde disgraceful motion.

But, whilst this method of reduction is impracticable, running contrary to the course of things, the other is easy in practice, and will operate necessarily of itself. And it is as fair, as it is easy and necessary. The first subscribers to the public loan cannot complain: for what they lent to the nation, by a just and open bargain, was money liable to a degradation in value in future times; in consideration of which they received a present advantage. Nor can the present creditors complain: for though the stock they bought is liable to a diminution in value, they make five per cent. of their money without taxes or deductions; whereas land is bought at three, and is subject to both.

## II.

Having shewn how the weight of the Public Debt may be lightened in effect by lessening its worth; the next point is to shew how the nation is *enabled* and may be *more enabled*, to bear it.

When the burden is thus lightened, if the same strength remain, it will be more able to support it; but, if the strength can be increased, it will be the more able; and if the act of increasing the strength will farther diminish the weight, it will be the abler still.

The real and practicable diminution of the Debt I have shewn to consist in the degradation of pounds, from the increase of the quantity of money: and the strength of the Nation, by which it is to support its weight by paying the interest, consists in the power and resources it possesses to increase that quantity the more, which will enable it to pay more taxes.

This power consists in the *means* which this country enjoys of buying gold and silver wherever they are to be sold; and these means consist in the  
over-plus

over-plus of every fruit, produce, art, manufacture, or commodity, above what is sufficient for its own consumption.

In reviewing the various means or resources of this vast commercial nation, from which this over-plus arises, I shall not attempt to descend to the minute particulars of each. My observations shall be made upon a general scale. I shall run over a few in a summary way, giving my view of their improvement. Upon this subject I could presently write a volume; but You, I know, have no time to read.

The first, and native source of all our wealth, and strength, and consequence, is the *Soil* out of which we live. The annual produce of the land and labour of the country, is the most important, permanent and eventual cause of national revenue. To the liberal and judicious encouragement of the landlord, to the ingenuity and industry of the tenant, and to the toil and labour of the humble husbandman, we are indebted for all the most valuable necessities of life, and for the truest riches of society. Agriculture is not only a vast source of revenue in itself, but it lies at the root of every other branch of revenue, to nourish and support them all.

Agriculture, therefore, viewed in a political light, is the most beneficial and honourable profession: and it was holden in high estimation by the wisdom of ancient times. In this island it has been too much neglected and disgraced. Of late years it has been too generally the practice and policy of the people to endeavour to enrich themselves by the more hasty, but uncertain, means of trade and commerce, rather than by the slower, but surer, means of cultivating the land. This is a national error, and a national evil: for agriculture is not only the mother of truer and more useful wealth, but the nurse of trade and commerce. The one is as the  
C trunk,

trunk, the other as the branches, of the British oak. Since the discovery of the eastern and western worlds, the mercantile has too much encroached upon the agricultural interest of the whole nation. Commerce held out her prospect of sudden riches with a more dazzling splendour, with war too often in her train; whilst Agriculture presented to the eye her milder charms, with peace and plenty in the rear.

The Soil of this island has, however, received great improvements in its cultivation within the last fifty years; and its produce of every kind is much increased. These improvements are, however, in their infancy: and, by a well-formed system of agriculture made on practical principles adapted to every soil and climate and distributed through the kingdom, to break local prejudices and absurd customs, to introduce the most useful and experienced methods of culture and improvement in lands already cultivated, and to convert into tillage the numerous forests wastes and commons which at present deform the nation, with the accommodation of canals and roads for the conveyance of stone lime manure and compost of every kind, the produce of corn might be rendered double; together with a vast increase in every article of animal and vegetable production. This is the most useful and important subject of improvement a judicious Minister can hold in view. It promotes so many uses, and tells so many ways. An increased produce of corn, which is the staff of life, would be the immediate effect of this cultivation; which should be promoted by every possible measure. A tax upon parks and pleasure-grounds, by the acre, would have a good effect. It would either contribute much to corn and cultivation, or something to the revenue. At this time a noble Duke, in the neighbourhood of Oxford, is drawing six hundred deer out of his park, and converting some hundreds of  
acres

acres into tillage; which I consider, at this time, as a patriotic act: and it were greatly to be wished that, at this time, more cultivated land, throughout the nation, dairy-grounds in particular, was converted into tillage.

And here, Sir, I must stop to lament the mistaken policy of this country for ages past, led on by the false charms of commerce and dominion into the ruinous system of Colonization, which drained the nation of its people, drained it of its revenue, and drained it of its strength; without making any adequate return for so immense a loss. Whilst the American Colonies were exhausting the Mother Country, they repaid all her kindness and expense in no way whatever; or in a way that was worse than none. They could not supply her with revenue: for they could not maintain themselves. They could not assist her with military aid: for they could not defend themselves. She had to weaken her revenue by maintaining, and her forces by defending, them: and on their account she involved herself in two wars, which added to her debt a hundred and forty millions! That narrow-minded unprofitable thing, an Exclusive Trade, which cramped all her other trade, was the golden dream in pursuit of which all this gold was spent; till experience, which maketh wise, taught her at last, that America was more profitably lost than won. May this experience ever remain a lesson to Great Britain, of the bad policy of Colonization! and may America make her a just return of gratitude, by becoming a peaceable and benevolent friend, instead of a turbulent and factious subject!

Whilst she was neglecting her strength and interests at home, and keeping her eye stretched across the Atlantic after the golden dream, how much better for Old England to have attended to the hills and vallies that lie neglected in her bosom, to have beholden her wastes and mountains waving with

corn, and to have seen herself inhabited by millions more employed in agriculture to the increase of her wealth and population !

But, though to bring gold and silver into the nation is the leading object of my view ; it is not that I would double the quantity of corn, and increase every other produce of agriculture, as the direct and immediate means. It is not to purchase money abroad by the exportation and sale of corn, and other produce of the land. It will, indeed, prevent the necessity of importing from abroad these necessaries of life : and thus it will be the means of keeping money at home. But it is to employ it in a much more useful and beneficial way ; in a way more comfortable and encouraging to the people, and more enriching and advantageous to the state. This is, to maintain a double number of industrious poor employed in all the branches of agriculture, trade, and manufacture ; from which a vast over-plus of various commodities will arise to buy gold and silver : for, the riches of the nation are in the hands of the poor. Upon this principle, it is not by the sale of the over-plus of the produce of the land that the nation is to be enriched from foreign markets : but it is by spending the whole of that produce in the maintenance of a greater number of inhabitants in every branch of productive labour, from which an over-plus will spring of every kind of commodity and manufacture that will enrich the nation ten times more. In this way agriculture becomes the first and richest source of national wealth ; and, by the numbers it supports, the first and richest source of national strength.

Thus Cultivation will be the mother of population, and Population will be the mother of wealth, which will flow into our ports in streams of gold and silver through every channel, and from every quarter of the globe.

It is not, indeed, from the exportation of corn that  
the

the present scarcity arises. This is owing to various other causes, to the extraordinary drought of the last summer and the universal failure of the crops—to the last winter's frost, longer and more severe than has been known for many years—to the devastation of Poland, which was the granary of Europe—and to our supplies from America being sent into France, Spain, and every country in Europe, where the scarcity of corn has been infinitely greater than in England. This year we have the prospect of a more abundant harvest: and, to prevent all danger of scarcity for the years to come, I would recommend that every landlord should permit his tenant to plough one fourth more. This would secure the nation from all danger of want in time to come, and make it every year more independent of foreign supplies.

From a view of the Soil above, let us go down to look at the treasures which are hidden below, the surface of the earth—the *Mines* in which this country abounds.

Our *Coal-mines* are richer than mines of gold. Beside the coal sold to other nations, which pays a tax on exportation and brings money back from foreign markets, this most useful commodity is the universal friend of population, the aid and support of trade and manufactures of every kind, to many of which it is essential. To the manufactures of iron, and other metals, it is indispensable in all their branches, and in almost every stage of each. Thus it becomes an instrument of national wealth of an unknown extent. Happy am I to observe that our coal-mines are inexhaustible; the produce of which we see distributed by numerous canals, as well as by the sea, through every part and province of the kingdom, bringing money to the nation, and men to the navy.

From Coal I pass to *Iron*, that most useful and valuable of metals; a truer source of the wealth of nations than gold or silver. Some of the iron mines of this kingdom are superior in their quality to any other in the world; and from a just mixture of this finer ore with the iron-stone, which is abundant, the best iron is produced. I might insist on the universal utility of this metal in agriculture and manufactures of every kind; but I shall only advert to the immense accession of money directly produced to this nation from the iron manufactories themselves. These manufactories have wonderfully increased of late years, and are likely to increase; but to enumerate their variety and extent, to tell how many thousands this metal employs in most productive labour, and to form an estimate of the annual worth in money of the iron and of the labour produced and sold in foreign markets, is a task much above my power.

Similar observations might be made of the *Lead*, of the *Copper*, and of the *Tin*, which this island, in different parts, so abundantly produces: they will, however, easily occur without particular remark. For, were I to descend to a particular of the national advantages, in point of change with other countries, which spring in a variety of ways from the mines of Great Britain, my letter would soon swell into a volume.

The *Potteries* of this kingdom, which have so rapidly increased, and are increasing, bring, I am informed, near half a million of money, or of money's-worth, from abroad every year. This is a most useful and productive branch of commerce. The materials themselves cost little. They are chiefly clay and flint, with the use of coal. The main profit arises from ingenuity and industrious labour; the most beneficial source of wealth. And the elegant produce of these manufactories supplies,  
in

in a considerable degree, the place of gold and silver plate; so that a greater proportion of these metals will be converted to the mint.

The *Glass Manufactories* are every way similar to the *Potteries*. They are increasing in their number, and improving in the quality of their produce; and are productive of a great annual advantage in the national exchange.

Our *Fisheries* of every kind, and in every part of the world, very materially contribute to increase the currency of the nation: and, now that the Dutch have put themselves under new masters, though these new masters may like fish, the White Herring Fishery will, I hope, be made to turn to great account; both in educating British tars to man our fleets, and in bringing money from foreign markets to pay them well. This source of wealth and strength has been lavished for many years on mercenary ungrateful neighbours, now to be resumed and successfully improved.

Were I fortified with a sufficient fund of information to go through the *Woollen*, the *Cotton*, and the *Linen Manufactories* of Great Britain and Ireland, in all their branches, and to make observation upon each, I could open to your view such resources of national revenue, increasing and to be increased, as were never possessed by any other kingdom, and never before by this to their present extent. Under the inability which I feel to perform this task, I shall content myself by offering one general observation upon the whole, which is plainly this—That, whenever the present black and dismal cloud, which now oppresses the whole of Europe, is happily blown over, and it cannot continue long, for it will spend itself soon without hurting us at all, great part of the money of other countries will flow with rapidity into our ports, inasmuch that we may dread a too sudden increase of our wealth.

wealth. The French have thrown away their commerce, and the Dutch are following their example; and this nation will have all Europe to clothe, all Europe to feed, and all Europe to supply with every ornament and utensil of civil life.

### III.

So various and abundant are the resources of Great Britain. So gigantic is the strength, growing and to grow, to bear the weight of its Public Debt; which, by a natural and necessary operation, will virtually diminish as that strength increases. The acquisition of money from every quarter of the globe is the unavoidable consequence: and, Sir, so far from "our pecuniary resources being unfavourable to an alarming degree," as your able and eloquent antagonist labours to represent them, they are at present in a most flourishing state, and capable in future of a vast increase. The *National Debt* they will at all times easily overcome, in the only way in which it either can or ought to be overcome; which, with the Funding System which it created, I shall now contend, *instead of being an evil to be dreaded, is a good to be encouraged*: as, by its operation, it lightens its own weight, and facilitates the satisfaction of its own demands.

I have now before me a field of rather intricate discussion, in which paradoxes may seem to stare me in the face. I am not, however, to be driven from my point by seeming paradoxes. They are often the effect of prejudice and superficial observation, to be dispelled by deeper thought and accurate investigation.

As I have shewn, that, by Pounds being depreciated in their nominal worth, the Two Hundred Millions are virtually reduced in weight and value; I proceed to observe that the sum total of the Debt, at which many are alarmed, is, by the funding system,  
made

made a nominal Capital, the Interest of which alone is to be paid. For the payment of this Interest the property, the revenue, the credit, the honour of the whole nation are the public security. The Funds are the public place of its collection, and the public account with all the creditors openly and exactly kept. This Interest is issued from the Funds by quarterly payments with the utmost promptitude and exactness, and distributed ten thousand different ways: and it is with this Interest so distributed, and its operation in the national machine, that I am now concerned.

If the previous observations are justly made, the diminution of the national burden is to be found in the increase of money; and the national ability to contend with it is to be found in those various resources by which money can be increased.

The increase of money is, therefore, the one object, and the increase of these resources the other: to both which we shall find the Funded Debt contributing many ways.

“Money gets money,” is an old experimental observation, which will here apply. But how is this done? Not by its lying idle; but by its use. Not by its stagnation; but by its circulation. Viewed in their immediate operation, as receiving the taxes from every quarter on one hand, and as paying the interest on the other, the Funds become the great wheel of national Circulation.

And this Circulation, so put in motion by this wheel, comes effectually to the aid and increase of all the national resources. It is the encourager and support of Agriculture, by increasing the capital and stock of the cultivator, and by enabling him to give employment to numbers of the poor in most useful and productive labour; by which, instead of living in idleness and want, they live industriously

industriously and comfortably themselves, and enrich their master; and, instead of a burden, become a blessing to society. This Circulation comes equally to the aid of all Miners and Manufacturers, who are thereby enabled to employ thousands in all kinds of most profitable labour: and this Circulation is the great nurse and support of every branch of trade. Without it no nation can become successfully agricultural or commercial; and without it no such nation can continue to succeed. To this Circulation of its currency Great Britain owes its opulence and prosperity as the first and necessary cause, which would stagnate and grow dead without the motion of this wheel, which makes money to flow to the nourishment of every national resource by which money is increased.

I shall illustrate this by an appeal to old experience. Before the Funds took place from the contracting of its Debt, the agriculture and trade of this country were weak and poor; hardly sufficient to supply its home consumption. They wanted the circulation of money to give them life and vigour, which to them is like the circulation of blood to the human body. What was saved by the father of a family, from the over-plus of his income above his expenses, was chested up to mortgage a farm, to portion out a daughter, or to buy an estate for a younger son. Since the Funds were erected, nothing has been locked up in dust and idleness. All was sent to the Bank to purchase Stock, where it found better security than chests and locks, and brought interest to its owner. This interest he had to employ from time to time either in the cultivation of his land, or in the capital of some trade; and he soon found, by profitable experience, that "money gets money."

Thus Circulation began to stir, and a new kind of Property to arise. Formerly all property was real, with a few goods and chattels. Since the funding

funding system was adopted, personal and commercial property of every kind, stock on land or stock in trade, increased; till it outran the real. This is the Property which is *current*, and which, by the circulation of the wheel, gave life and activity to the nation, became the spring of its exertion, the spur of its industry, and the encourager of its ingenuity. Hundreds embarked in trade with capital and on credit. Thousands found employment in every branch of profitable labour; the produce of all which brought back gold and silver from foreign markets, to increase the money at home, and to be put in circulation by this wheel.

So beneficially do the Funds contribute, in their operation, to the produce of the soil, to the produce of the mines, to the produce of ingenuity, and to the produce of labour, which are the true resources of the nation; as well as to the number of its inhabitants, which are its strength. To the circulation which they create, some of these resources owe their existence, and all their prosperity and success. They supplied them with money, without which they could not well subsist; and, by putting in circulation the money which they gained from other nations, they swelled the currency of this, and by that increased the value of them all. The consequence is beneficially felt through the whole community. The landlord is enriched by the advancement of his rents; the tenant by the increase of his profits; the manufacturer by the rise or demand of his commodities; and the labourer by the advancement of his wages. All, in their different stations, are enabled to pay more taxes than they could before, whilst all are enriched, or may be enriched, by better savings: for the profits arising from all these different employments, raised by the perpetual increase of money, and cherished by its perpetual circulation, will increase faster than the taxes can ever do. Increasing taxes will be paid with ease if  
the

the supplies be levied with ability, so that taxation accompany the increasing profits; in which consists the art of the able financier.

Even the payment of the taxes, from which narrow-minded economists portend our ruin, has, in a true economical view, a good effect. It is an universal and perpetual spur to that industry and vigilance in every station, which are the foundation of our opulence and the sinew of our strength. When a man knows that at certain times he will be called upon for certain sums, without the possibility of respite, his industry and vigilance are in a perpetual alarm. His invention and exertion are excited by a constant spur. He is alive and active for the credit of his trade, and the reputation of his house. Without these awakening calls, frequently made, indolence would insensibly creep upon him, which would bring on neglect, neglect would grow into dissipation, dissipation would increase expense, and expense would end in ruin. How many have been ruined by the indulgence of their landlords, in letting their farms too cheap? and how many have grown rich and prosperous from a rise of rent, by which their ingenuity was excited, and their industry redoubled? Experience, in all these things, is the wisest teacher; and how often has experience evinced this truth? Necessity is not only the mother of invention, but of industry too, which are the mothers of national wealth.

And, so admirably do the movements in our political machine correspond to, and promote, each other; that, from the profits of the subject arising from the plenty and circulation of money, Government is enabled, from time to time, to raise additional loans, and thereby to increase the extent and motion of this national beneficial wheel.

Out of the accumulated profits of the more opulent

lent merchants, manufacturers, and bankers, these loans are raised; who, by the interest they receive, gradually increase their capital. By the expenditure of the loans on the various occasions of the state, those heaps of money which laid in the hands of a few more opulent, and which they could not or would not employ immediately themselves, are distributed among numbers of inferior, traders, to improve numerous capitals in every branch of profitable and productive labour: profitable to themselves, and productive of new revenue to Government; which new revenue will more than satisfy the interest of the additional loans. The original subscribers to a loan parcel it out to many others, who, from their smaller profits, are enabled to buy stock; and who, in like manner, by the interest they receive, gradually increase their capitals. So that, though the Funds may not be considered in themselves as a new capital in the nation, they spring at first out of overgrown capitals, and are the means of multiplying and improving capitals; by which its land is cultivated, its trade is extended, and its manufactories increased. So far from being, as some weakly imagine, the annual destruction of capital, the Funding System is the annual production and support of many capitals, which are in their use productive of resources, which are in effect productive of revenue. The action of the Funds, in collecting taxes from the subject, and in paying interest to the subject, is not merely the right hand that pays the left, as some have supposed; but it is a collection and distribution of money through every part of an industrious and productive nation, which, like seed gathered and sown upon fruitful land, will produce a national increase.

And, beside all these benefits which arise indirectly to the Nation from the operation of the  
Funds

Funds in lightening its Debt, by the increase of its currency, resources, and revenue ; there is another advantage, not to be omitted, which springs directly from the rapidity of circulation which they promote, and by which its currency is virtually increased.

All money upon every return has performed one act, as the instrument of exchange ; and upon every return there is a profit. Instead of the money rising from the produce of the land, of the mines, and manufactories, lying idle for a year, by the action of this national wheel, it is thrown into rotation every quarter. Thus capitals are turned over the more frequently, and renewals of profit become more frequent. By these rapid returns money performs its actions many times in the year ; by which it virtually multiplies itself as the instrument of exchange. Put the national currency, in money and paper, at Forty Millions. Turn it over only once in a certain time, and it operates simply as Forty Millions. Turn it over twice in that time, and it will operate as if it was twice as much. By the rapidity of its return our currency is virtually increased ; and thus it is enabled to satisfy with ease the Interest of the Debt, though it be great : and, as the increase of currency in whatever way, whether nominally or virtually, will virtually diminish the Debt, the Funds, in this respect, will be seen to contribute much to relieve the nation of its weight.

Hence, Sir, I hope it will sufficiently appear that the Funded Debt supplies a vast perennial spring, which flows perpetually to the nourishment of every branch of national resource ; by which circulation is promoted, and the stock of money annually increased. Hence higher taxes can be levied, and more easily paid ; hence the nominal Interest of the Public Debt can be satisfied ; and hence it is that its *weight* will be virtually *diminished*.

Thus

Thus the Public Debt, instead of a *national evil*, is a *national good*; and the Public Funds, which have sprung out of it, are the general fountain of national wealth and national prosperity, dispensing their golden streams through a thousand channels, to the comfort of ten thousand families, and to the support of a thousand trades. The suppression of the Funds would operate as a national calamity. All industry would be slackened. All ingenuity would be checked. All agriculture would be neglected. And the national prosperity would lower its head.

Instead of "a ruinous system," as the author of *The Wealth of Nations* too often calls it, who loses large and comprehensive views in minute and narrow speculations, and, whilst he is groping after the shadow, lets the body of truth escape out of his hands, the Funding System has been the great support and nourishment of the nation. Instead of "gradually enfeebling the state," according to his feeble comprehension, it has gradually strengthened and enriched it; and the general cause of the prosperity of Great Britain for ages past is to be found in the Funding System, more than in any other resource natural or artificial.

One cause of the error of this author, and of many others, in regard to the National Debt, and the Funding System, arises from the ambiguity of language in the use of the word *Debt*, which, from the habit of thinking too frequently and too strongly attached to words, has confounded two things different in their nature and operation. Though called by the same general name of *Debt*, the Public is very different and distinct from Private debt; and ought to be differently considered. Private debt is well known to be beneficial only to the creditor, and is too often observed to be hurtful, and sometimes ruinous to the debtor; but then they are different

ferent and indeed opposite persons; whereas the public debtor and creditor are chiefly the same nation. The interest of private debts goes from the debtors for ever to their creditors: that of the public debt returns perpetually upon the debtors, who are the creditors too, and is rendered more beneficial in the reception than hurtful in the payment. Whatever the nation loses by being debtor, it gains by being creditor; and more than gains: for the Public Debt, by being Funded, becomes, we see, in the payment of its Interest, a public circulation and a public benefit. For want of this distinction, this industrious and sagacious author, with many others, argues, by parity of reasoning, from the effects of Private Debt to those of the Public, which are not analogous: and thus men fill their own apprehensions with false alarms, and terrify the people with groundless fears.

I could argue for the utility of the Funds from the extent of property they spread throughout the kingdom, which becomes a strong national cement; and which ensures, in times of danger and disaffection, many friends to that government on whose security their property depends. I could argue from various topics to prove the Public Debt, under just economy, to be a public good, however paradoxical it may seem. But, Sir, I will wave all further argument by bringing the subject to the plainest and strongest test. And here again experience shall be my proof.

Ever since the first existence of the Funding System, from year to year, and from age to age, the portended ruin of the Nation, from the baleful influence of its Debt, has been happily contradicted by the prosperity which grew with the growing burden. Had its operation proved as pernicious as they foretold, long since would the whole kingdom have sunk under the oppressive load. Uniformly,

formly, however, have facts and experience been giving the lie to the ill-bodings that have been uttered on every side, by shewing to the plainest observation the opposite effects, not only in times of peace, but after all the calamities and expenses of the most expensive war. And it is pleasant to observe, that whilst the author of *The Wealth of Nations* is taking a melancholy omen of the “weakness and desolation of Great Britain from the funded debt and the practice of funding,” experience has compelled him to acknowledge in the succeeding page, that “after the conclusion of the late war, the most expensive that Great Britain ever waged, her agriculture was as flourishing, her manufacturers as numerous and as fully employed, and her commerce as extensive, as they had ever been before.” These are his acknowledged sources of the wealth of nations, which can never flourish or exist without a capital; and, after all the enormous expenses of that war, and all the funding which they occasioned, was that capital destroyed? for, that funding is the annual destruction of capital, is that false but favourite assertion, upon which he delights to dwell. Here, again, it is pleasant to see that same experience force a contradiction of this very same assertion from his own mouth. “The capital, therefore, which supported all these different branches of industry, must have been great to what it had ever been before. Since the peace, agriculture has been still further improved, the rents of houses have risen in every town and village of the country; a proof of the increasing wealth and revenue of the people; and the annual amount of the greatest part of the old taxes, of the principal branches of the excise and customs in particular has been continually increasing; an equally clear proof of an increasing consumption:” and of course, I say, of an increasing population. And,

to prove how completely the ill-omens that have been taken by himself and others have been reversed in fact, "Great Britain," he goes on, "seems "to support with ease a burden, which, half a century ago, nobody believed her capable of supporting." These, Doctor Adam Smith, are comfortable truths, taken from the broad and open ground of public experience, not from the dark and narrow mazes of your own private speculations, which will make the public amends for some of the imposing fallacies of your book. This, Sir, is the age of paradoxes : and, that this experience should not long ago have corrected this popular error, and quelled the public alarm, is with me the paradox.

And, as Great Britain hath supported with ease the burden of her debt, she will continue to support it. By good economy and her funding system, she will gather strength from time to time to support a larger, whenever a larger is found necessary. Whilst she is lightening its present weight, on the one hand, not by raising the denomination, or adulterating the standard, of her coin, but by increasing its quantity which will reduce its value ; she will be gathering new strength, on the other, from the increasing produce of her soil and of her mines, from the increase of her capital and the extension of her commerce, which will always yield an increase of her revenue.

Thus, with the growing monster, which was fated to consume the land, experience hath shewn that the prosperity of the nation grew. Instead of destroying the constitution, it contributed to its nourishment and strength : and to its Public Debt, more than to any other cause, may be attributed that unrivalled opulence of Great Britain, which, at this time, is the envy and the aid of Europe.

To the want of such a public fund of currency and credit, put in circulation by such a wheel, as  
is

is hence produced, enabling the subject to pay the taxes, and, from the accumulation of his profits, enabling the government to raise loans upon emergencies, we may attribute all the national bankruptcies of France, and the difficulties that surrounded that ill-fated kingdom, which hath been plunging from one stage of ruin to another, by an amazing series, into a state of desperation.

Thus, Sir, if I do not greatly mistake in my views of political economy, the Public Debt is a *public benefit*; not only useful, but indispensable, to the Nation. Instead of being its danger, it is its safety. Instead of its weakness, it is its strength. Do not increase it by too rapid an accumulation. Let its increase be gradual; and, in a gradual increase the prosperity of the country will rejoice. But do not hope to reduce it by the Sinking Fund. The hope is sanguine; but experience will tell you the attempt is vain. The payment of any large proportion would be injurious, by giving a proportionable check to circulation, which is the life of a commercial people. A torpor and stagnation would ensue, which would benumb the energy and activity of the country. Be not afraid of the growing monster. Leave it to itself and to its operation; and, by its own operation, it will always subdue itself.

#### IV.

Having shewn—how the weight of the National Debt will be relieved—how the Nation will be enabled to bear it—and that, instead of a public evil, it is a public good: I shall conclude with a few short observations on the *more beneficial application of the Sinking Fund*.

There are other ways in which the Sinking Fund, and the other Parliamentary Provisions, may be employed with abler economy than in vain-

ly attempting to pay off the Debt; to some of which I will now challenge your attention. The *Enclosure and Cultivation of the Royal Forests* is an object of great national concern. The parts where there is no timber, or where the timber is but weak, would be profitably converted into corn-lands, and the parts where it is more full and strong should be fenced off. In these enclosures timber can be nursed and protected better than in open forests: and those soils, which are friendly to the oak, should be ploughed up and sown with acorns. This is a way to employ the Sinking Fund, which would give us both riches and defence. It would yield corn to maintain our poor in profitable labour, which is the national riches: and it would supply our navy with timber, which is the national defence. The island is but small. A single acre, capable of improvement, should not be left untried; and a single man, capable of labour, should not be left unemployed.

There is another way in which these public resources may be applied with good effect, in which an able financier would rejoice, and which, I think, in times such as the present, he should not neglect.

“A particular banker,” says the acute author whose work I have taken occasion to notice, “lends among his customers his own promissory notes, to the extent, we may suppose, of a hundred thousand pounds. As these notes serve all purposes of money, his debtors pay him the same interest as if he had lent them so much money. This interest is the source of his gain. Though some of those notes are continually coming back upon him for payment, part of them continue to circulate for months and years together. Though he has generally in circulation, therefore, notes to the extent of a hundred thousand

“ thousand pounds, twenty thousand pounds in gold  
“ and silver may frequently be a sufficient provi-  
“ sion for answering occasional demands. By  
“ this operation, therefore, twenty thousand pounds  
“ in gold and silver perform all the functions which  
“ a hundred thousand pounds could otherwise have  
“ performed.” This is a plain and obvious truth,  
of which a minister has a fair right to avail himself.  
With a capital of twenty thousand pounds this  
banker realizes five thousand pounds a year. This  
is an enormous profit, to which, I think, the pub-  
lic purse is well entitled, and which might be made  
a source of national revenue, without the imposi-  
tion of a tax. To no use can the Sinking Fund  
and the other Parliamentary provisions be applied  
more truly economical than to this of a *National  
Bank*: and so great is the expediency of such an  
application.

And the necessity of such a measure is as obvious  
as the expediency. The existence of so many pro-  
vincial banks that issue notes of credit, as are  
known at present to prevail throughout the king-  
dom, is a prominent and standing proof that the  
national wheel of circulation, the public Funds, is  
not alone sufficient for the increased and increasing  
circulation of this vast commercial country: and  
the disasters which befall the community from time  
to time from the failure of private banks prove the  
further necessity, and demonstrate the public utility,  
of a National Bank founded on national credit, and  
distributed, by a well-regulated policy, through all  
the rich and mercantile towns and provinces of the  
kingdom.

To the execution of such a project, founded in  
expediency and necessity, the Sinking Fund might  
be applied with better public economy, than to the  
impracticable purpose of liquidating the National  
Debt. The vast profits of private banks is an in-  
come raised upon the public, which may be fairly  
turned

turned to a public account. All coining has ever been holden as a privilege sacred to the nation as a body politic; and this method of banking is a species of coining almost direct. Other governments, in times of urgency, have had recourse to harsh and impolitic expedients; the Diminution or Adulteration of their coin. Here is an expedient at hand, both just and politic.

Such a plan, digested with ability and executed with success, would be attended, in its operation, with every good effect. It would operate as a public advantage, and as a private blessing. It would ensure great revenue to the public, and great security to the people. It would become a large and useful appendage to the Public Funds; and it would come effectually in aid of the plan proposed in the first part of this letter in relief of the Public Debt: for Notes issued from such a bank, supported by the property and credit of the nation, payable upon demand, would be equal in effect to gold and silver; and, by supplying their place in currency, would increase the quantity, and decrease the value, of Money.

And, if to these two ways of improving the Sinking Fund, which would relieve the Nation both by increasing its Resources and improving its Revenue, I might be permitted to subjoin a third expedient by which the people may enable themselves to contend with the burden of its Debt, I would recommend the practice of *Frugality* and *Economy* in every station and rank of life. Though the greater consumption of the luxuries of life may contribute greatly to the encouragement of trade and commerce, and increase the circulation of money; yet, when this consumption is carried to an extreme, it becomes an unprofitable waste, the nurse of idleness and dissipation and of many useless and pernicious habits. And, as Commerce  
and

and Circulation may be promoted as extensively, and more usefully to the moral character of the nation, by the arts of industry, frugality, and economy, than by this wanton waste, all extravagance should be publicly discouraged, and all luxuries should be severely taxed. The nobility, the gentry, the opulent merchants and the rich mechanics, by retrenching their annual expenses, may pay all taxes with great ease, and contribute with pleasure to the support of government in the more pressing emergencies of the times. Let the real necessities, the reasonable comforts, and the fit conveniences of social life, according to the station of each, satisfy all descriptions of the people: and let Economy become the fashion of the age. Less useless servants will be necessary. Less waste will be committed. The number of profitable inhabitants will be increased; and the overplus of the revenue of innumerable individuals, above their expenses, which is now wasted in luxury and inordinate consumption, would raise a fund, which, were it in danger, might save the nation.

The urgency of the times is great; and every national exertion must be made. Eighteen Millions in one year is an unprecedented loan; but so also is the occasion. The taxes are well laid: and the nation you will find both able and willing to pay them. But how could this be done if the Funds did not exist; the engine of that circulation which is the source of private ability, by which money is rendered cheaper and more plentiful, and, of course, the more easily to be acquired? Without this circulation which raises the price of his labour, and pays him more money for it by a quick return, how could the consumer of the necessities of life pay taxes for them? And, unless by the same means his income was increased from whatever quarter it may come, how could the consumer

fumer of luxuries afford to use them? Would the Wine-tax, for instance, be productive, if persons of better condition had not their purses filled with larger supplies of money; and, to be more particular, if thousands were not in the quarterly receipt of their dividends from the stocks, by which they are enabled to indulge in wine? Thus, from whatever point we view them, we see the Funds operating to the private comfort and convenience, and to the public advantage and accommodation, of the whole community.

I am a plain man. My subject is, at this time, interesting to all; and I wish to be clearly understood by all the plainest men in England: and, if I have used a word or expression that is not plain, attribute it to a hasty pen, not to study or design. I wish the public, at this period, to form right conceptions of things, and of themselves. The public mind is generous and just, but the public mind is too liable to be imposed upon and deceived.

You are the Minister of a just and necessary war; and you will not fail to find resources. England is fighting against France, not as an improvident spendthrift, as the author above quoted represents her; but, as a good economist, with supplies annually renewing from the produce of her agriculture, from the produce of her commerce, from the produce of her industry, from the abundance of her wealth, and from the over-plus of them all, increasing and to be increased. France is fighting against England and all her other enemies, as an unprincipled spendthrift prodigal of blood and treasure, with her whole capital itself, wrested from her inhabitants by requisition, and rapidly consuming every day. From the prospect we have taken of the resources and prosperity of England, how different is the state of things in France! All cultivation

tivation neglected, all trade departed, all commerce dead, all population checked! From emigrations, from massacres, from the guillotine, from the ravage of civil and foreign wars, her number of effective men is decreased one half. Exhausted of her numbers, exhausted of her treasures, and exhausted of her strength, France is falling into ruin of herself; whilst England is rising of herself in wealth, in population, and in power: and we may cherish a reviving hope, to ensure to ourselves a happy and an honourable peace, from the downfall of a potent and rival nation, involving others in her ruin and disgrace.

The more vigorous the war on our part, the sooner may we expect the blessings of such a peace, Go on with vigour, and shortly the present domination of France will come to pieces of itself. According to the remark of the gallant Loyalists in their spirited proclamation, "Among the Republicans of France one faction supersedes another; and soon, perhaps, the same fate awaits that which at present reigns." The National Convention, the organ of that domination, has been a series of factions destroying each other with a regularity approaching to a system, till the whole will be destroyed. Driven on by the wildfire of ideal liberty, the effect of a false philosophy, and by terror, the instrument of the Convention, the French armies by their numbers have deluged the Continent with blood, and spread terror and devastation on every side. Like a fire consuming the stubble, and spreading the conflagration all around, the further it extends the weaker it grows and is extinguished in the centre, in which some new produce springs up from the ashes it has left; so, as it is the age of prophecy, I now foretel, that out of the ruins of the nation Monarchy will spring up, in some shape or other, in the heart of France. Or, should this prophecy prove false, and France establi

E

tablish a Republic, I will venture at another, and foretel, that it will split into many Republics, to devour each other, and to save England the trouble and expense of subduing France.

War I naturally hate. The necessity of this I bitterly lament; but at present there is no alternative. Until a great or total change take place in the government of France, peace would become the most savage and brutal war. It would be, when attacked by a mad tyger, tamely to throw away your arms, and invite him to devour you. Or it would be still worse. It would be to become the same mad and brutal tyger. We must either fight, or submit to our enemies, and become like them. The British lion must either conquer, or become like the French tiger; which would be a scandal to the British lion. The courage of other nations is dastardly and feeble. Each flies from the face of the blood-thirsty tiger, and leaves his neighbour to his fate, only to be devoured himself the last. The British lion is aroused to defend himself; and, now that he is in all his strength, to couch to this French tiger would be a scandal to the British lion.

On our part, it is a war of justice and of safety. Englishmen, though ingloriously deserted by your allies, at the time that an honourable peace was dawning upon Europe, from the defection, from the factions, from the self-defeat of the common enemy, be not panic-struck at the thought. Do not disgrace your ancient character. Ye are brave in the field, and upon the ocean. Be firm, be unanimous, be brave at home. Ye behold, indeed, scenes of blood most savage and unmanly, at which your breasts recoil. But they are transacting among your enemies and your rivals, who are now destroying each other; and who combined a few years ago to destroy you. Their combination was then in vain. Ye are much stronger now than ye were then; and ye are gathering strength every day.

day. Long have your power and your prosperity been the envy of them all. Now they are all exhausted by fighting against each other, as it were, in your cause. The Dutch, your enemies and your rivals, though for their own interest your pretended friends, are exhausted and ruined as a nation. The Spaniards, who always combined with France against you, are exhausted and almost ruined by fighting against France, which is itself exhausted and ruined on every side. And, however inglorious to themselves who first courted your alliance, the other Powers of Europe, by the act of making a separate peace, are favouring your cause. Ye are not shackled by any conventual restraint. Ye are not committed by any specific treaty. Ye are not tied down by any articles of peace. Ye are not confined in your objects, or crippled in your operations. Ye are left at liberty to do what ye will and whatever ye can with the other powers and possessions of Europe which lie vanquished at your feet. The British lion is in all his strength and without a fetter to confine him. Give a loose to his courage, and he will prove himself, to the terror and consternation of all Europe, to be the British lion.

Thus your enemies and your rivals have been conquering each other, and have left you at liberty with the greater ease to conquer all. Be industrious, be frugal, be loyal, and act as one man, and ye will conquer all. The sea is your own element, and your navy your own defence. Upon that sea, and with that navy, ye have been, and must ever be, victorious. Whatever devastation the numbers of the common enemy may have made upon the continent, the war, as far as relates to England and France, has been successful, and will terminate with success. Of the enemy's navy the number of ships of war lost, taken, and destroyed since the beginning of the war is 128, of which

which ye have 56 in the British navy : and of your navy the number of ships lost, taken, and destroyed is only 27. On the sea and with your navy ye may defy all the powers in Europe, could all the powers in Europe unite against you. The war will be now what it ought to have been at first, a *Naval War*. Ye have at present in your navy 548 ships of war, commanded by the most able and gallant Officers, and fought by the most intrepid Tars that ever at any time embarked upon the ocean. Let not a Spaniard shew a sail upon the sea : but let that jealous and perfidious nation pay for its treachery and its cowardice by its galleons and its gold. The French Navy is almost destroyed both in the Mediterranean and in the Atlantic : and what has the Spanish Navy done ? or what can it do ? The whole of the West Indies are in your power, and may soon be in your possession. Indemnify yourselves. Your Minister is a man of worth and resolution ; and, if in the course of this strange unexampled war, in which, combined with cowardly or treacherous allies, and misled by a confidence in them, his efforts have not always been successful ; he will make you full amends by terminating the war in an honourable and advantageous peace, and in all the lustre of naval glory.

O, Sir, You stand in a critical situation ! You fill a high and important station. On You, Sir, much depends. On You we place our hopes. To You we commit our fortunes. You are, I think, an honest man. Be the friend of all honest men, for they are loyal ; and all honest men will be friends to You. Be clear in your views. Be decided in your measures. Be determined in their execution. And let this be the motto of your arms, **WHATEVER THINE HAND FINDETH TO DO, DO IT WITH THY MIGHT.** Follow the example of  
your

your Father. Be cautious but resolved: and be successful as he was. Deal openly with all men. Never halt between two opinions. Never trim between two parties. Trimming was the disgrace of the American war. Have those to fight your battles on whose courage you can rely, and on whose skill and fidelity you can depend: and, when you strike, strike home. As War-minister be boldly responsible for your conduct: for the measures which you adopt, and the means which you employ. Be not afraid of axes and scaffolds. Do the best you can, and trust to Providence for success: and, if you fail through your own misconduct, bid the House of Commons take off your head and put it upon their table.

And, Sir, if the day of calamity should come upon us, if come it must, but which I never fear, say in the words and with the cool fortitude of Cicero—*Ætas mea in id bellum incidit, cujus altera pars sceleris nimium habet, altera felicitatis parum.*

EDWARD TATHAM.

From the Rectory of  
Lincoln College,  
Aug. 23, 1795.

F I N I S.

BY THE SAME AUTHOR,  
**The CHART and SCALE of TRUTH,**

By which to find the Cause of Error.

Two Volumes, Price Ten Shillings.

AND

**An Introduction to the Study of Divinity.**

One Volume, Price Five Shillings.



